

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 NEA-10 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 /104 W

-----290502Z 089221 /14

R 281100Z JAN 77

FM AMCONSUL TURIN

TO SECSTATE WASHDC 0667

USMISSION EC BRUSSELS

AMEMBASSY ROME

INFO AMCONSUL FLORENCE

AMCONSUL GENOA

AMCONSUL MILAN

AMCONSUL NAPLES

AMCONSUL PALERMO

AMCONSUL TRIESTE

UNCLAS TURIN 0042

E.O. 11652: N/A

TAGS: ECON, BEXP, EFIN, IT

SUBJ: LETTER TO STOCKHOLDERS BY FIAT PRESIDENT

GIANNI AGNELLI

1. IN OFFICIAL LETTER TO FIAT STOCKHOLDERS WHICH WAS ALSO PUBLISHED IN COMPANY MAGAZINE AND DISTRIBUTED AT RECENT STOCKHOLDERS MEETING CALLED TO VOTE ON LYBIA-FIAT DEAL, FIAT PRESIDENT AGNELLI ADDRESSED FIAT'S CURRENT FINANCIAL SITUATION AS WELL AS THE FUTURE DIRECTION OF THE AUTOMOBILE SECTOR WHICH ACCOUNTS FOR NEARLY HALF OF FIAT'S EMPLOYMENT AND INVESTMENT FIGURES. IN ADDITION, AGNELLI ALSO CHALLENGED MAJOR PROPOSALS MADE FOR THE EUROPEAN AUTOMOBILE INDUSTRY IN RECENT EEC COMMITTEE STUDY ON FUTURE DEVELOPMENT OF THIS SECTOR.

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2. ACCORDING TO AGNELLI, FIAT FINANCIAL STATEMENT FOR 1976 WILL SHOW MARKED IMPROVEMENT OVER PREVIOUS YEAR. HE EMPHASIZED THIS IMPROVEMENT WAS MAJOR FACTOR SURROUNDING ADVANTAGEOUS OUTCOME OF FIAT-LIBYAN DEAL. AGNELLI NOTED, HOWEVER, THAT DEVALUATION OF LIRA ALSO HAS PLAYED SIGNIFICANT ROLE IN IMPROVEMENT OF FIAT BALANCE SHEET FOR 1976 AND WARNED AGAINST DETRIMENTAL EFFECTS DEVALUATION COULD

HAVE IN FUTURE.

3. IN ADDRESSING PROPOSALS FOR TOTAL REDUCTION IN EUROPEAN AUTOMOTIVE LABOR FORCE MADE IN NOVEMBER 1976 EEC EUROPEAN AUTOMOTIVE INDUSTRY STUDY, AGNELLI STATED THAT SUCH ACTION WOULD HAVE SEVERE POLITICAL AND ECONOMIC CONSEQUENCE IN ITALY CONSIDERING CURRENT ROLE THIS SECTOR PLAYS IN THE ITALIAN ECONOMY. HE ALSO RESPONDED TO RECENT CRITICISM AGAINST SPIRALLING ITALIAN LABOR COSTS AND SAID FIAT'S ONLY INTENTION IS TO MAKE WAGES OF ITALIAN WORKERS IN AUTOMOTIVE SECTOR MORE COMMENSURATE WITH THOSE IN OTHER EEC COUNTRIES.

4. FULL TRANSLATION OF FIAT LETTER AS WELL AS OUR PRELIMINARY ANALYSIS OF 1976 FINANCIAL SITUATION FOR FIAT GROUP FOLLOWS BY AIRGRAM.

5. FOR ROME AND BRUSSELS: WE HAVE COPY OF EEC COMMITTEE'S AUTOMOTIVE STUDY IN FRENCH: A) NEED WE POUCH TO YOU OR DO YOU ALREADY HAVE# B) NEED WE SUMMARIZE OR HAVE YOU ALREADY DONE SO FOR DEPT# C) IF YOU ALREADY HAVE REPORTED, WE WOULD APPRECIATE RECEIVING COPIES, UNCLASSIFIED BY CABLE, OTHERWISE BY POUCH.  
WRIGHT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, PUBLIC CORRESPONDENCE, STOCKS (SECURITIES), INVESTMENTS  
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**Copy:** SINGLE  
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**Decaption Note:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Original Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3617569  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LETTER TO STOCKHOLDERS BY FIAT PRESIDENT GIANNI AGNELLI  
**TAGS:** ECON, BEXP, EFIN, IT, FIAT, (AGNELLI, GIANNI)  
**To:** STATE EC BRUSSELS  
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**Review Markings:**  
Margaret P. Grafeld  
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US Department of State  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009